

Treasurer of State (TOS)

Presentation to the
Administration and Regulation
Budget Subcommittee
January 25, 2011

Responsibilities of TOS

- Cash Management
 - Receive
 - Assist state agencies in acquiring banking services
 - Facilitate the acceptance of credit cards
 - Review and approve each agency receipt transaction to allow posting to state accounting system
 - Process all returned checks and returned ACH deposits
 - Disburse
 - Redeem state warrants (1.7M in FY10)
 - Fund daily ACH payments / Initiate wire transfers
 - Process returned ACH payments
 - Process warrant endorsement forgeries

Responsibilities of TOS

- Cash Management
 - Invest
 - Fund balances are pooled and invested together
 - Safety, Liquidity, Yield
 - \$2.7B average balance
 - Weighted average maturity of approx 1 year
 - Invest in government agency obligations and money market funds
 - Quarterly auction to place \$50M in Iowa financial institutions
 - Linked Investment for Tomorrow (LIFT)
 - About \$30M in Iowa financial institution CDs linked to loans to small businesses

Responsibilities of TOS

- Cash Management
 - Cash Flow Borrowing
 - Used when timing of receipts and expenditures do not match
 - 16 times since 1985; most recently in 2007
 - Reconcile
 - Maintain funds on a cash basis with reconcile daily with state accounting system
 - Reconcile all accounts with bank statements and investment reports
 - Allocate interest receipts among investment pool participants

Responsibilities of TOS

- Debt management
 - Coordination of bonding
 - Selection of finance team
 - Development of finance plan
 - Drafting of financing documents
 - Obtain credit rating
 - Marketing, pricing, and sale
 - Investment of proceeds and reserves
 - Compliance with terms of debt
 - Debt service payments
 - Lease purchase program

Responsibilities of TOS

- Pension Services
 - IPERS
 - Custodian of fund
 - Member of 7-person investment board
 - PORS / JRS
 - Custodian of funds
 - Coordinate investment manager selection process
 - Report on investment manager performance

Responsibilities of TOS

- Voting member of fourteen boards
- Non-voting member of five authorities in order to coordinate bonding

Responsibilities of TOS

- Accounting for funds assigned to TOS, for example:
 - Executive Council appropriations
 - Primarily payment of state's self-insurance items
 - Road Use Tax Fund (RUTF)
 - Allocation of RUTF receipts, including monthly payments to all cities and counties
 - Second Injury Fund
 - FY10: \$1.7M paid to regular beneficiaries
 - FY10: \$2M in lump sum settlements
 - Underground Storage Tank funds
 - Pay administrative costs & provide financial reports to Board

Responsibilities of TOS

- Unclaimed Property
 - FY10
 - Receipts \$24M
 - Returned to owners \$12M
 - Reversion to General Fund \$13M

Responsibilities of TOS

- Iowa Education Savings Plan Trust
 - College Savings Iowa (direct-sold)
 - Total Assets: \$2.5 billion
 - Total Accounts: 190,000
 - Iowa Assets: \$831 million
 - Iowa Accounts: 101,000
 - Average Account Size: \$13,375
 - Iowa Advisor 529 Plan (broker-sold)
 - Assets: \$74.6 million
 - Accounts: 13,540
 - Number of Advisors Selling Plan: 1,500

Responsibilities of TOS

- Protection of public fund deposits
 - Three sources of protection for public unit deposits in banks:
 - FDIC
 - Sale of pledged securities
 - Assessment